

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3912-02  
Bill No.: Truly Agreed to and Finally Passed SCS for HB 1635  
Subject: Water Service: Certain Cities  
Type: Original  
Date: May 21, 2002

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**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

**FISCAL ANALYSIS**

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## ASSUMPTION

Officials of the **Department of Natural Resources** assumes no fiscal impact.

Officials of the **Kansas City Manager's Office** stated that at 6% per annum the cost to the City would be approximately \$318,000 annually, however this substitute reduces that amount substantially by requiring the city to pay a rate set for six month US Treasury Bills.

**Oversight** will show fiscal impact as (Unknown) because the City did not submit an estimate of cost for paying interest. Oversight assumes costs would be substantially less than the cost at a rate of 6%.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b><u>Cost</u></b> to City of Kansas City paying interest on water deposits	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENT</b>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>

## FISCAL IMPACT - Small Business

Small business who have water deposits with the City Water Department would be paid interest annually on the amount of their water deposit.

## DESCRIPTION

This bill requires deposits for water or sewerage services in Kansas City to accrue interest at a rate set for six-month United States treasury bills effective December 31 of the preceding year if the customer is not in arrears and the deposit has been held for more than two years. Interest accruing on the account must be credited to the customer's individual account or paid to the

## DESCRIPTION (continued)

customer, at the city's discretion.

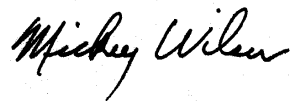
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources  
Kansas City Manager's Office

NOT RESPONDING

Jackson County Executive

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Acting Director  
May 21, 2002